

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PAINT BRUSH HILLS METROPOLITAN DISTRICT HELD APRIL 16, 2015

A regular meeting of the Board of Directors (referred to hereafter as "Board") of the Paint Brush Hills Metropolitan District (referred to hereafter as "District") was held on Thursday, the 16th day of April, 2015, at 7:00 p.m. at the Paint Brush Hills Metropolitan District Office, 9830 Liberty Grove Drive, Falcon, Colorado 80831. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Kim Griffin
Calvin Pollard
Doug Burrer
Floyd Roberts
John Bruszenski

Also In Attendance Were:

Leon Gomes; Special District Management Services, Inc.

Jennifer Gruber Tanaka, Esq.; White Bear Ankele Tanaka & Waldron, P.C. (via speakerphone)

Ricardo Goncalves, PE; RG and Associates, LLC (via speakerphone)

Daniel Kupferer, PLS; Land Development Consultants

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential or Existing Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Mr. Gomes noted that a quorum was present and requested members of the Board disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No conflicts were noted.

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ADMINISTRATIVE MATTERS

Agenda: Mr. Gomes reviewed the proposed agenda for the District's regular meeting.

Following discussion, upon motion duly made by Director Griffin, seconded by Director Pollard and, upon vote, unanimously carried, the Agenda was approved, as amended.

Public Comments: There was no public comment.

CONSENT AGENDA

Consent Agenda: The Board considered the following actions:

- Acknowledge Manager's Report
- Acknowledge Staff Report
- Acknowledge Operations Report
- Approve Minutes of the March 19, 2015 Regular Meeting and the March 30, 2015 Special Meeting
- Acknowledge 2015 Budget Priorities

Director Pollard requested the 2015 Budget Priorities be removed from the Consent Agenda for separate discussion prior to Board action.

Following discussion, upon motion duly made by Director Pollard, seconded by Director Bruszenski and, upon vote, unanimously carried, the Board approved the Consent Agenda.

FINANCIAL MATTERS

Claims: The Board considered approval of the payment of claims for the period ending April 16, 2015, as follows:

General Fund	\$	21,688.42
Debt Service Fund	\$	-0-
Enterprise Fund	\$	62,407.94
Total Claims:	\$	<u>84,096.36</u>

Mr. Gomes reviewed the claims with the Board.

Following discussion, upon motion duly made by Director Griffin, seconded by Director Roberts and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending April 16, 2015, as presented.

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Financial Statements: Mr. Gomes reviewed with the Board the unaudited financial statements for the period ending March 31, 2015.

Following review and discussion, upon motion duly made by Director Pollard, seconded by Director Roberts and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending March 31, 2015, as presented.

2014 Audit: Mr. Gomes advised the Board that the field work for the 2014 Audit will begin in May 2015.

2015 Budget Priorities: Mr. Gomes reviewed the 2015 Budget Priorities with the Board. He provided the Board with updated statuses for items 1-5, and recommended that the District proceed with the Technology Upgrade in stages beginning with meter reading hardware and software. The Board directed Mr. Gomes to obtain a proposal from National Meter & Automation for the meter reading hardware and software upgrade.

LEGAL MATTERS

Resolution of Real Property Legal Description: Mr. Kupferer discussed with the Board the real property legal description that includes the District tank site, a portion of Londonderry Drive, and Pump House #3, noting that the existing description is outdated. Attorney Tanaka recommended separate legal descriptions for each site for construction and site plan purposes but noted that there does not need to be any revisions to the existing deeds as the property conveyed was intended to be conveyed as described.

Following discussion, the Board directed Mr. Kupferer to develop separate legal descriptions for each site for construction and site plan purposes and to send those descriptions to Mr. Goncalves when they are prepared.

EXECUTIVE SESSION: Pursuant to Sections 24-6-402(4)(b) and (e), C.R.S., upon motion duly made by Director Pollard, seconded by Director Roberts and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 8:14 p.m. for the purpose of discussion negotiations with third parties and receiving legal advice, as authorized by Sections 24-6-402(4)(b) and (e), C.R.S.

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Pursuant to Section 24-6-402(2)(d.5) (II)(B), C.R.S., no record will be kept of the remaining portion of this executive session that, in the opinion of the District's attorney, constitutes privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 8:40 p.m.

ENGINEER MATTERS

District Office and Shop Facility: Mr. Goncalves discussed with the Board the estimated cost for the planned District Office and Shop Facility. Mr. Goncalves noted that he had added a third bay to the shop and a shower stall to the bathroom per the Board's request. Mr. Goncalves will next prepare a site plan for the addition of the Office/Shop at the District Tank Site.

Dawson Wells Replacement Plan: Mr. Goncalves recommended that this matter be considered following the preparation of the Master Water Plan. The Board determined to discuss this matter as part of the Master Water Plan.

Water Use Master Plan: Mr. Goncalves reported that he is working with Mr. Gomes regarding the Water Use Master Plan and the Dawson Wells Replacement Plan.

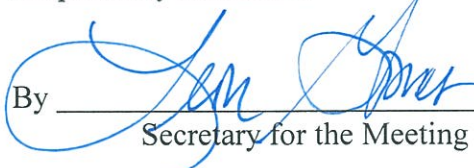
OPERATIONS AND MAINTENANCE

District Vehicle Policy: Director Bruszenski advised the Board that he has received calls regarding two District Trucks being driven on Burgess Road in Black Forest and inquired into the purpose for the trucks being outside the District boundaries. Mr. Gomes responded that the District uses Black Forest Auto Repair to maintain the District vehicles and that it is likely that one of the District vehicles was being taken there for repairs. Director Burrer suggested that Meinecke in Falcon be considered for repairs to reduce the time of taking District vehicles to Black Forest.

ADJOURNMENT

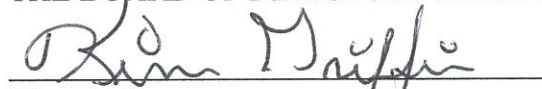
There being no further business to come before the Board at this time, upon motion duly made by Director Bruszenski, seconded by Director Roberts and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,


By  Secretary for the Meeting

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THESE MINUTES ARE APPROVED AS THE OFFICIAL APRIL 16, 2015
MINUTES OF THE PAINT BRUSH HILLS METROPOLITAN DISTRICT BY
THE BOARD OF DIRECTORS SIGNING BELOW:



Kim Griffin



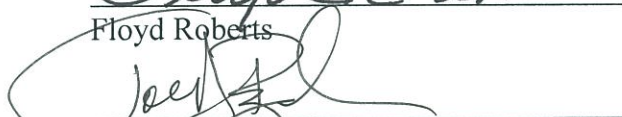
Calvin Pollard



Doug Burre



Floyd Roberts




John Bruszenski

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Attorney Statement Regarding Privileged Attorney-Client Communication

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing Paint Brush Hills Metropolitan District, I attended the executive session meeting Paint Brush Hills Metropolitan District convened at 8:14 p.m. on April 16, 2015 for the purpose of discussing negotiations with third parties and receiving legal advice as authorized by Sections 24-6-402(4)(b) and (e), C.R.S. I further attest it is my opinion that all of the executive session discussion constituted a privileged attorney-client communication as provided by Section 24-6-402(4)(b), C.R.S. and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S.



Jennifer Gruber Tanaka, Esq.
General Counsel
Paint Brush Hills Metropolitan District